

This Hormel Foods Corporation Hog Procurement Agreement (this "Agreement") is made effective the 1st day of _____, 200____, by and between the undersigned producer of hogs (referred to in this Agreement as "you" or "your") and Hormel Foods Corporation (referred to in this Agreement as "we", "us" or "our").

1. **TERM.**

(a) **Constant Flow.** If you have constant flow production, this paragraph 1(a) applies. "Constant flow production" means all hog production where the producer can deliver the same number of hogs each month. The initial term of this Agreement commences on the effective date set forth above and expires on the last day of _____, 200____. Thereafter this Agreement shall automatically renew for successive one (1) year renewal terms until terminated. Either party may terminate this Agreement at the end of the initial term or any renewal term by providing the other party written notice of such termination at least one year prior to the end of such term. This Agreement is also subject to termination pursuant to paragraph 7.

(b) **Quarterly Flow.** If you have quarterly flow production, this paragraph 1(b) applies. "Quarterly flow production" means hog production that is "all-in/all-out" or batch production where the producer cannot deliver the same number of hogs each month. The term of this Agreement commences on the effective date set forth above and expires on the last day of _____, 200____. The term of this Agreement is not subject to renewal. This Agreement is subject to termination pursuant to paragraph 7.

2. **HOG QUANTITY.**

(a) **Constant Flow.** If you have constant flow production, this paragraph 2(a) applies. You agree to sell to us under this Agreement, and we agree to buy, market hogs in the exact monthly quantities specified in the Delivery Schedule made part of this Agreement (the "Delivery Schedule"). If you incur a Delivery Shortage Assessment pursuant to paragraph 3(f) for any three consecutive months, then you and we will reassess the Delivery Schedule for the remaining term of this Agreement. You and we may mutually agree in writing to modify the Delivery Schedule for the remaining term of this Agreement.

(b) **Quarterly Flow.** If you have quarterly flow production, this paragraph 2(b) applies. You agree to sell to us under this Agreement, and we agree to buy, market hogs in the exact quarterly quantities specified in the Delivery Schedule made part of this Agreement (the "Delivery Schedule"). If you incur a Delivery Shortage Assessment pursuant to paragraph 3(f) for any quarter, then you and we will reassess the Delivery Schedule for the remaining term of this Agreement. You and we may mutually agree in writing to modify the Delivery Schedule for the remaining term of this Agreement.